Government had in preparation a series of reforms which, it was expected, would give both agriculture and industry a firmer foundation. It was hoped that taxation could be reduced. The relations between the Jews and the Arabs, though not entirely satisfactory, had been improving.

The Board of Governors and the Academic Council of the Hebrew University of Jerusalem met in London early in June. It was resolved to proceed as rapidly as possible toward establishing courses for degrees. The Faculty of Arts was to be instituted immediately, and of Science not later than 1932. A budget of $270,000 was provided for the ensuing year.

AFGHANISTAN—King Amanullah and Queen Suriya ended their remarkable tour by visits to Angora and Teheran. Not only did the royal couple exchange greetings, separately of course, with men and women of the two neighboring Moslem countries, but time was taken to draw up acts of amity and non-aggression, and to provide for raising the rank of their mutual diplomatic representatives to that of Ambassador.

Protocols were signed at Teheran between Persia and Afghanistan and Persia and Turkey, promising conciliatory action in case of war between one of the signatories and a third Power. Afghanistan remains stricter than Turkey as regards prohibition laws. No intoxicating liquor is to be brought into the country, with the exception of restricted quantities which may be brought in for the exclusive use of foreigners.

ARABIA—The Holy Carpet was made in India this year upon order of King Ibn Saud. It was received at Jiddah on May 22 by a deputation of high officials with much rejoicing.

PERSIA—Parliament has voted an annual appropriation of $150,000 for six years for the purpose of sending 100 Persian students to Europe each year.

THE FAR EAST

The New Chinese Government

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A NEW national capital, a new flag, new names for Peking and Chihli, a new declaration of unity, and most auspicious of all, a month of actual cooperation between the important leaders of the Kuomintang, were the evidences that a new day of peace and reconstruction had dawned for China with the Nationalist capture of Peking. Nanking, assumed by the Nationalists as their capital in 1927, was declared to be the capital of China, while the name of Peking was altered to Peip'ing (pronounced bayping) meaning "northern peace." Thus the "king" (capital) of the north gave way to the "king" of the "Nan" or South, as it had given way before, 1368-1409, when the earlier Ming Emperors, thinking to disparage the glorious creation of Kublai Khan, made Peking a mere *fu* or prefecture and called it, as the Nationalists now are calling it, Peip-ing. Unfortunately the splendid palaces formerly at Nanking were leveled to the ground during the T'aip'ing Rebellion, so that the city, while more spacious within its walls than Peking, entirely lacks its magnificence. On the other hand Nanking is more centrally located than Peking, standing between Shanghai, the greatest commercial city, and Hankow, the principal centre of iron and steel manufacture, and it has been more closely in touch with the movements that created and have sought to maintain the republic than Peking. Foreigners should welcome removal of the legations to Nanking, which is more easily accessible and more easily protected than the former capital of the North, reduced to secondary importance.

From the new capital the new Government issued its maiden manifesto in conciliatory but firm spirit. It said that the military period of the revolution was closing, that the new State now to be built would be founded upon the three principles of Sun Yat-sen (nationalism, democracy and the people's welfare), and that in it there would be no place for either militarism or communism. It requested that negotiations begin at once for abrogation of the unequal treaties, reminding the "spokesmen of the Powers" that they had recently "expressed their willingness to negotiate new equal treaties." It disclaimed any intention of disregarding any obligations entered into upon terms of equality and expressed the belief that new, equalitarian relations would assure increase of trade and a safer existence for foreigners within the country. In Washington, D. C., Dr. C. C. Wu pressed upon Secretary Kellogg the redemption of his promise to negotiate for revision with any Government capable of representing China.

The quiet transfer of authority was in strange contrast with the stormy biennium of civil warfare which led up to it. Governor Yen Hsi-shan was allowed to add Chihli Province (now to be called Hopei)—north of the river—to his tuchanate of Shansi and the northern special districts of Suiyuan, Chahar and Jehol. Neither General Chiang Kai-shek nor General Feng Yu-hsiang appeared in Peking until the first week of July, and then not to alter the administration of the city but to discuss plans for the future and to join with Yen and General Li Chung-jen in a pilgrimage to the temporary resting place of Sun Yat-sen's body, the beautiful temple Pi Yun Ssu in the Western Hills. "Can such amity last?" was the question asked on all sides. "Will each big man be big enough to rule his own province or group of provinces without seeking to dominate the country?" The situation was more promising than at any time since the resignation of the presidency by Sun Yat-sen in 1912. A loose confederation of tuchunates, their heads cooperating in a national executive council or directory, seemed an entirely possible and practical scheme of government, provided each leader were willing to sacrifice something for harmony, and provided the thirst for immediate parliamentarism which wrecked the republic in 1913 did not reassert itself too strongly. The appearance of General Pai Chung-hsi, "communist" killer of Hankow, was an unfavorable development at Peking. He planned to bring 120,000 southern soldiers to Peking, which is already supplied with troops and was quite confident of the abilities and good will of Governor Yen.

Only secondary in importance to the inauguration of a new régime at Peking was the death of the Manchurian war lord, Chang Tso-lin, and his son's assumption of his place. The elder Chang died of injuries sustained when his railway car was blown up while passing under the bridge which carries the South Manchuria Railway over the Peking-Mukden line just outside Mukden. Japanese reports declared that Chang's death occurred the day he was injured, but officially death occurred on June 20. A joint investigation by Chinese and Japanese of the responsibility for the assassination resulted in a division of opinion. The Chinese generally held Japan responsible for the crime though unable to produce proof. This attitude, based upon the notion that Japan would expect to influence the creation of a weaker headship over Manchuria, was inconsistent with the general Chinese satisfaction that Chang's death left the way open for the Nationalists to bring Manchuria under their control.

Chang Tso-lin's estate was estimated as $90,000,000 Mex., one-ninth of which the new super-tuchun, Chang Hsueh-liang, announced would be devoted to education. "Young Chang" is an aggressive but likable man in his twenties, and he displayed, in his first public statement, a statesmanlike attitude, expressing his wish for a peaceful arrangement with the Nationalists. He insisted, however, upon retaining Manchuria as an autonomous unit. Several years ago the writer talked over with the young tuchun the problem of China's future, and found him well informed upon western types of government and inclined to advocate a loose confederation for China during the transition period, with a central Government composed of regional leaders and exercising only such essential functions as the conduct of foreign relations. His

youth renders his lengthy tenure doubtful.

Generalissimo Chiang Kai-shek resigned his dual office of Commander-in-Chief and Chairman of the Nationalist Military Council on June 9, stating that "the military phase of the revolution has been completed, rendering unnecessary further warfare and automatically terminating the offices." Back of the stated reason lay the realization of Chiang that with the capture of Peking his own position would become much more difficult, involving him in controversy over the partition of the country into tuchunal spheres of influence. He preferred to meet such issues in his post as Chairman of the Political Council. General Feng Yu-hsiang urged Chiang to withdraw his resignation, threatening to follow suit if he refused. The Nanking Government declined to accept Chiang's resignation, whereupon he left for Ningpo.

A diplomatic incident grew out of a disagreement between a promise by Nanking of safe conduct for a brigade of Northern troops left to maintain interim order in Peking and General Feng Yu-hsiang's action in authorizing its arrest and imprisonment. As the promise had been given at the request of certain Foreign Ministers, including the American Minister, John Van Antwerp MacMurray, they sought the release of the brigade, but were unable to get into touch with General Feng. A note of protest to the Nanking Government produced the reply that the Nationalist commanders at the front had been instructed to honor the safe conduct.

The Chinese portion of the City of Tientsin fell into Nationalist hands on June 12 without fighting. General Fu Tso-yi represented Yen Hsi-shan in taking over the city from former Governor Chang Tsung-chang of Shantung and General Chu Yu-pu. The Northern forces were permitted to withdraw northward. As usual in such circumstances the retiring forces looted native shops. Unfortunately the Chinese area of Tientsin was not immediately occupied by Nationalist troops, and the result was a night of bloodshed and robbery following the departure of the Northern generals and their more reliable regiments. Police sought to restore order but were outnumbered. The foreign concessions were not affected by the disorder. At Tientsin the Japanese commander sought the support of other foreign units for a plan to forbid Chinese forces to approach within seven miles of the city. They decided against the plan and foreign troops confined their patrol work to the concessions and to certain essential public utilities—the waterworks and power house—and one of the railway stations. The arrival of 10,000 Shansi troops on June 15 restored order in the native city.

The Nanking Government's reply to Minister MacMurray's letter of May 18 requesting that only trustworthy troops be sent into the Peking and Tientsin areas was delivered to Consul General Cunningham at Shanghai on June 2. Expressed in courteous terms, it declared that the Nationalist Government had enforced and would continue to "enforce the most rigid discipline and extend full protection to the lives and property of American residents." It went on to state the hope that the American Government would evacuate its troops from Tientsin as promptly as possible. The Department of State let it be known that evacuation was not at present in contemplation. It declined to state its program with reference to the *de jure* recognition of the Nanking Government.

Dr. C. T. Wang, well known in the United States, became the Nationalist Foreign Minister shortly after the resignation of Huang Fu. Like the latter he is close to Feng Yu-hsiang but is also on friendly terms with Japan. Dr. Sao-ke Alfred Sze, the popular and highly respected Chinese Minister to the United States, was continued in his position. Dr. Wang was faced at the outset with the problem of settling the Tsinan case. Several mistaken news reports of new demands in connection with a settlement were corrected satisfactorily by the Japanese, who, however, continued to demand apologies, indemnities for alleged attacks and barbarities, and the punishment of responsible officers. They asserted that upon a settlement of the case Japanese troops would be withdrawn. It was anticipated that negotiations for the settlement would consume two months. Meanwhile numerous private persons and organizations in and out of China were issuing flaming denunciations of Japanese conduct at Tsinan and calling upon the world to

sustain international law and morality against such action. The Japanese admitted the slaghter of a number of Chinese in the office of the Commissioner of Foreign Affairs and of a considerable number of patients in a hospital, but declared that in both cases they had been fired upon first. They also presented evidence of the brutal murder of eleven civilian Japanese, including two women, in Tsinan. The Japanese population of Shantung is 18,000, the public interest is $31,000,000, and the private investment is $80,000,000. A dispatch from Tokio on July 10 stated that Japan had ordered 7,000 troops recalled from Shantung and would ask amends for the outrages in Tsinan.

The Japanese Foreign Office issued the statement that the death of Chang Tso-lin and the establishment of Chang Hsueh-liang as Supertuchun of Manchuria would not affect Japanese policy. "No war in Manchuria" would continue to be the foundation principle of that policy. "Peace, even at the price of war," was Japan's primary aim, declared Y. Matsuoka, Vice President of the South Manchuria Railway. He went on: "Call that a protectorate if you will * * * but do not charge us with a desire to interfere in Chinese politics." When he spoke the apprehension was widespread that the Nationalists intended to force their way to control Manchuria if possible. Mr. Matsuoka is a seasoned Manchurian official, who knows Japan, China and the West. His concluding statement, therefore, deserves careful consideration:

> Naturally we consider our interests enough reason for our action over here. However, we might as well admit that Manchuria is strategically vital to Japan—it is our first line of defense. Geographically this is true. These are the facts which, perhaps, will cause us embarrassment, but we must face the situation and admit that things are as they are.

Japanese investments in Manchuria now total $750,000,000 gold.

The first national economic conference to be held in China was convened at Shanghai on June 21 under the Chairmanship of T. V. Soong, Nationalist Minister of Finance. A hundred representatives attended. The conference discussed the modernization of the currency, the creation of a national banking system, improvement of credit and reform of taxation.

General trade conditions in China were reported as greatly improved, due principally to more peaceful conditions in the Yangtze Valley and South China. In Shantung Province, however, famine continued, while in America the National Committee for China Famine Relief, headed by Dr. S. Parkes Cadman, and with John Earl Baker, formerly adviser to the Chinese Ministry of Communications, as director of the work in China, sought to obtain $10,000,000 for relief and subsequent measures, such as road-building, which would operate to prevent famines in the future.

The Director General of the Chinese Post-office was ordered to transfer his office to Nanking from Peking as soon as the affairs of the Peking office could be concluded.

JAPAN—The Japanese Government ordered the return of the two cruisers and twenty-seven destroyers sent to Yangtze waters in May, thus indicating its confidence in the existing régime in Central China.

A peasant named Okamura attempted to kill Premier Tanaka with a dagger at Uyeno station in Tokio on June 8. He was seized before he reached the Premier and overpowered. No motive was given for the act, but it was believed that the recent popular outcry against Baron Tanaka for asserting his own share in the resignation of Minister of Education Mizuno, as against the Emperor's interest in the matter, had inflamed the peasant's mind.

Junnosuke Inouye resigned from the Governorship of the Bank of Japan, which he had occupied since May, 1927. He felt that the panic conditions of a year ago had lost their force and that readjustment had been accomplished.

The extent of Japan's trade with the United States was exhibited by figures compiled by an authoritative agency. This country now buys 42.5 per cent. of Japan's exports and sells her 28 per cent. of her imports. Between 1913 and 1927 the trade of the United States with Japan increased 550 per cent. During that period the percentage of Japanese exports that went to Europe decreased from 23.2 to 7.42. Between 1922 and 1927 the people of the United States bought more Japanese goods than were bought by all the peoples of Asia.